

TO: Andrew P. Powers, City Manager

FROM: Jay T. Spurgin, Public Works Director

DATE: April 11, 2019

SUBJECT: California American Water Company Rate Case Update

In July 2016, California American Water Company (Cal Am) filed an application with the California Public Utilities Commission (CPUC) for proposed water rate increases for 2018, 2019, and 2020. Cal Am provides water service to the Newbury Park area of Thousand Oaks, about 47 percent of all water customers in the City. Cal Am's original proposal was to consolidate all five of its service areas in Ventura, Los Angeles, and San Diego Counties. The result would have been rate increases of more than 10 percent per year (not including imported water cost increase pass-throughs) for City residents in the Cal Am service area.

In 2017, the City became a Party to the case, and during the past two years vigorously opposed the Cal Am rate case. In December 2018, the CPUC approved a Decision that rejected Cal Am's consolidation proposal and granted a modest increase in its revenue requirements, with final rates to be determined via Advice Letters filed by March 2019. Staff have completed review of those Advice Letters, and the resulting rate increases are about 2.2 percent for 2018 and 1 percent for 2019 (rates for 2020 are expected to be set similarly later this year). This is very good news for City Cal Am customers as these water rate increases are significantly lower than the original request and only slightly higher than recent increases by the City and California Water Service Company.

A comparison of monthly residential water costs for the three water purveyors in Thousand Oaks is provided in the table below.

Monthly Water Bill Comparison (2019)			
HCF/Month	Cal Am Water	Cal Water Service	City Water
10 – Low	\$63	\$78	\$74
18 – Average	\$113	\$123	\$113
50 – High	\$361	\$319	\$277



Jay T. Spurgin
Public Works Director